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INFORMATION REPORT

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	SUBJECT	The Nan Chao 1	Republic	SEP 16	10 14 AM '45	NC		12		
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- The western part of theman Province adjoining Burma is not ruled by the Chinese Nationalist Government, but is a special area where feudal influence predominates. Local administration in this area is carried out by native chieftains whose office is hereditary. The people of this area are completely submissive to there chieftains and are, in fact, completely ignorant of the existence of the Nationalist Government. The main occupation of the people is planting oplum, a portion of which they have used to acquire arms from Nationalist troops. Also, mercury is mined in the area, the output being about three tons per month. The important mercury producing areas are the Yenghih (99-00, 27-42) and Paofeng () areas. The natives barter for goods from British merchants with their mercury.
- 2. The Nan Chao Republic was founded at an assembly of the United Native Chieftains held in Hsiaolungch'uan () in May 1948. This meeting was predided over by TIAO Ching-pan (), the Chief of Kanyai (98-05,24-26). The primary aim of the Republic was to separate from China and then to make an alliance with Burma. The Chinese Nationalist Covernment realized fully the significance of this move and , fearing that the incident might cause great excitement among the people in general were the truth known, reported the establishment of the Nan Chao Republic as a rebellion engineered by the native chieftains. The Republic, however, had already severed completely from China. In fact, the majority of the soldiers in the two divisions in SUN Li-jen's New First Army who participated in the mutiny which had broken out in the Northcast during April and May 1948 were natives from this border area. A Chinese "Yunnan-Jurma Border Rebellion Suppression Army" sent to quell this insurrection and led by Commander WANG Shih-hou was disarmed by the troops of the native chieftains, and Commander WANG was shot when he attempted to invade the Kanyai area in the spring of 1948. Commander CH'ANG Shao-ch'un of the Lunglu () Cuerrilla Detachment, who directed some 2,000 troops in a suppression campaign in the Lop'upa () area, lost most of his men in the spring of 1948, also as the result of attacks by the troops of LAI En-ta and other native chieftains.
- 3. Troops led by native chieftains are reported to have attacked the Nationalist troops in Shenhukuan () and to have set fire to all the Nationalist barracks. Other reports state that native troops killed Commander HUANG Fuchten of the Luhsi Guerrilla unit.

CENTRAL INTELLIGENCE ACENCY

ILLEGIB

ILLEGIB

a) Time Ching-pan
5,000 rifles,

- b) KUNG T'ung-chih (集統例), Chieftain of Nantien; 1,000 rifles
- c) FANG K'e-sheng (方文法), Chieftain of Mangabih, 700 rifles
- d) To Plei-ying (人 持文), Chieftain of Chefang; 500 fles, 50 machine guns

San Si

- e) YIN Ching-t!ai (尹景志), Chieftain of Mengmao; 3,000 rift
- f) IAI En-ta (預恩達), Chieftain of Hulasa (戶 拉 撒); 1,000 rifles 50 machine guns, 10 light artillery pacces
- Chieftain of Chouta; 500 rifles, 500 machine guns

 k) MIEN Kuang-
- 1) YANG Wen-ts 3,000 rifle guns
- hao Republic, has appointed his brother, sentative of the New Map Republic to BurmalLEGIB to Burma also.
 - Although the Commun rma Border constantion Committee the Nan Cl the Mationalist Government is in co that the two a plan for cooperation. For this reason, th t Government warrant for the arrest of these chieftains lest they join the campaigns mentione ver dared to ieftains too hard This policy 2. Since t to the suppression system in this area cannot be changed e Nationalis annot be exerted over these chieftains, st Governmen ying to establish schools in the area in an ke the nativ o-Mationalist.
- As yet, Nationalls uction work:
 The building of the eter Yuman-s ay has just begun.
 This highway will hing and exter and Huilu to Hsich construction work which is after the directic chief of the Hsi Ch'ang Administration Office.

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